

MEMORANDUM



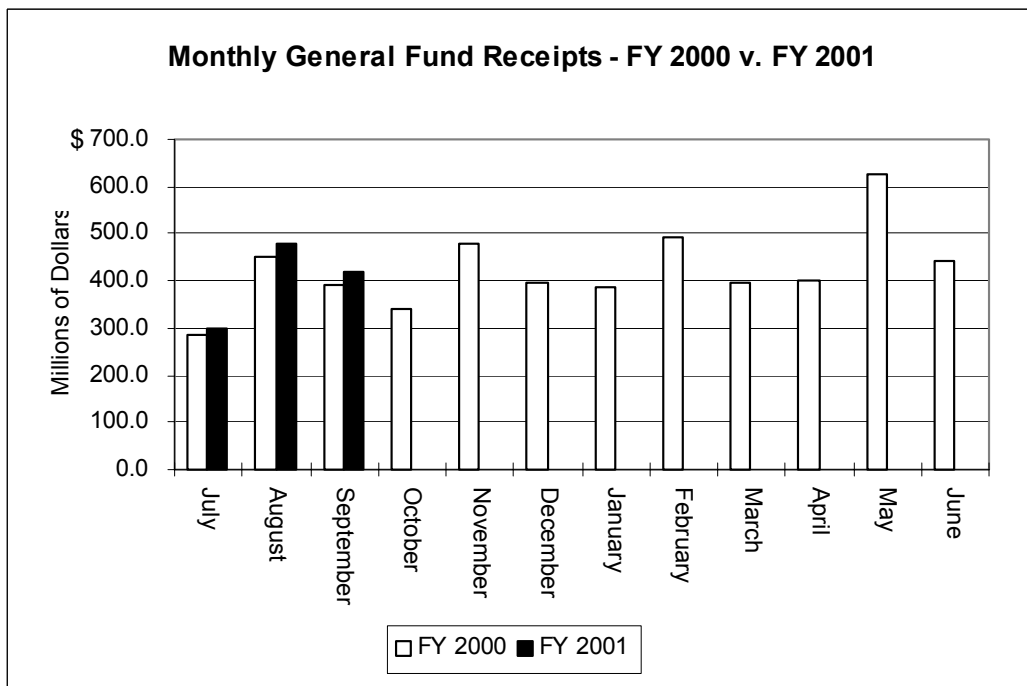
TO: Members of the Iowa Senate and
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: October 2, 2000

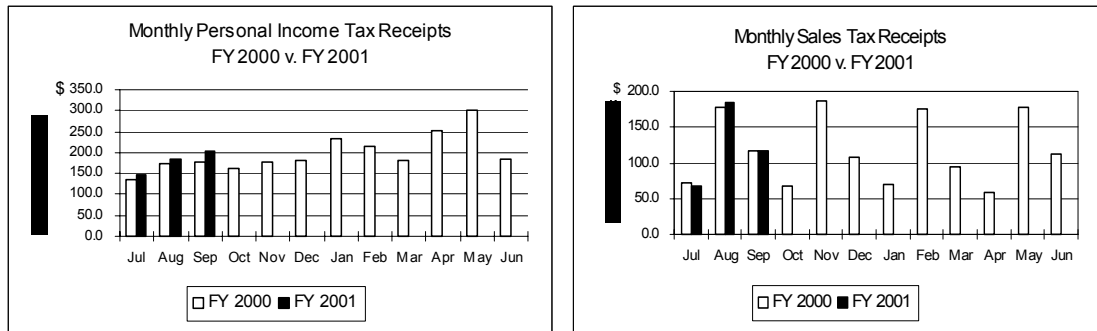
General Fund Receipts Through September 30, 2000

The attached spreadsheet represents total FY 2001 estimated General Fund receipts, with comparable figures for actual FY 2000. These can be compared to the latest FY 2001 estimate (\$5.290 billion) set by the Revenue Estimating Conference (REC) on August 18, 2000. The estimate represents an increase of \$192.7 million (3.8%) compared to actual FY 2000.



FY 2001 Compared to FY 2000

Year-to-date FY 2001 revenue increased by \$62.1 million (5.5 %) compared to FY 2000. This is above the REC estimate of 3.8% for FY 2001.



Gross personal income tax revenues received in September totaled \$202.6 million, an increase of \$25.3 million (14.3%) compared to September 1999.

The REC FY 2001 income tax estimate of \$2.516 billion represents a projected increase of 5.9% compared to actual FY 2000.

Withholding receipts increased in September by 16.1% compared to September 1999 while estimated payments increased 8.2%.

The Chart above compares monthly personal income tax receipts for FY 2001 with FY 2000.

Sales tax receipts in September totaled \$117.3 million, an increase of \$0.7 million (0.6%) compared to September 1999. The REC estimate for FY 2001 sales tax receipts is \$1.489 billion, which represents an increase of 5.1% compared to actual FY 2000.

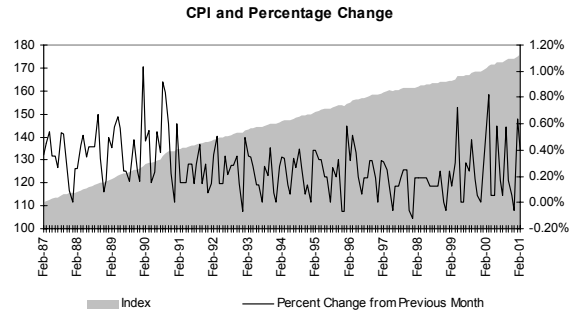
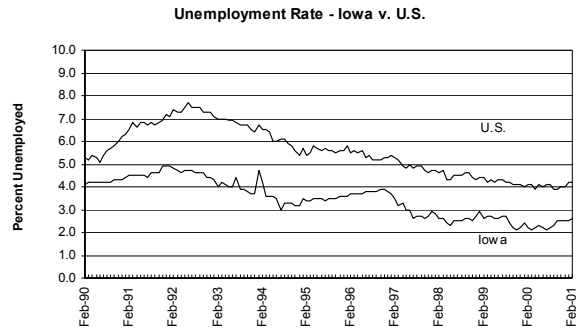
The Chart above compares monthly sales tax receipts for FY 2001 with FY 2000.

Corporate income tax receipts increased in September by \$1.8 million (6.2%) compared to September 1999. The REC projected FY 2001 corporate income tax receipts at \$313.2 million, a decrease of 4.0% compared to actual FY 2000.

Status of the Economy

The seasonally adjusted percent unemployed for the State in August rose from July's rate of 2.1% to 2.2%. The unemployment rate a year ago was 2.5%. Iowa's total August employment registered 1,542,100, down from July's level of 1,543,000. The number of unemployed persons in Iowa stood at 34,900 in August, which is up from July's level of 33,300. The U.S. unemployment rate for August was 4.1%.

Consumer prices in August rose by 0.1% from July's level. The Consumer Price Index (CPI-U) through August 2000 was 172.7 (1983=100), which is 3.4% higher than one year. The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through June 2000.



Information related to State General Fund receipts is available electronically through the Fiscal Bureau's Electronic Publishing of Information System (EPI). If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

GENERAL FUND RECEIPTS - FY 2001 vs. FY 2000 July 1 through September 30, in millions of dollars Dollars may not add due to rounding				ESTIMATED GENERAL FUND RECEIPTS in millions of dollars FY 00 Actual Compared to FY 01 REC Estimate			
	FY 2000	FY 2001	Year to Date % CHANGE	September % CHANGE	Actual FY 2000	Estimate FY 2001	% CHANGE
Personal Income Tax	\$ 487.1	\$ 533.3	9.5%	14.2%	\$ 2,375.9	\$ 2,515.7	5.9%
Sales Tax	366.0	369.1	0.8%	0.6%	1,416.6	1,489.1	5.1%
Use Tax	60.0	60.4	0.7%	31.8%	246.8	257.9	4.5%
Corporate Income Tax	54.9	58.5	6.6%	6.6%	326.1	313.2	-4.0%
Inheritance Tax	23.9	24.5	2.5%	-11.6%	114.8	109.0	-5.1%
Insurance Premium Tax	0.1	0.4	300.0%	1613.8%	120.2	122.0	1.5%
Cigarette Tax	23.9	22.5	-5.9%	-9.6%	91.1	90.5	-0.7%
Tobacco Tax	1.8	1.7	-5.6%	-16.7%	6.6	7.2	9.1%
Beer Tax	3.9	3.9	0.0%	0.0%	13.6	13.8	1.5%
Franchise Tax	7.4	8.0	8.1%	7.7%	31.8	30.7	-3.5%
Miscellaneous Tax	1.4	0.9	-35.7%	n/ m	1.3	1.1	-15.4%
Total Special Taxes	\$ 1,030.4	\$ 1,083.2	5.1%	7.0%	\$ 4,744.8	\$ 4,950.2	4.3%
Institutional Payments	12.9	12.4	-3.9%	21.4%	49.7	48.5	-2.4%
Liquor Transfers:							
Profits	6.5	6.5	0.0%	-16.7%	36.0	36.0	0.0%
7% Gross Revenue	2.3	2.3	0.0%	0.0%	9.0	9.0	0.0%
Interest	2.8	3.4	21.4%	35.7%	26.0	20.0	-23.1%
Fees	17.5	18.2	4.0%	23.5%	66.3	66.2	-0.2%
Judicial Revenue	7.8	7.6	-2.6%	0.0%	52.3	56.0	7.1%
Miscellaneous Receipts	19.2	22.1	15.1%	-17.3%	52.7	43.6	-17.3%
Racing and Gaming Receipt	36.4	42.2	15.9%	34.0%	60.0	60.0	0.0%
TOTAL RECEIPTS	\$ 1,135.8	\$ 1,197.9	5.5%	7.6%	\$ 5,096.8	\$ 5,289.5	3.8%